

# **RURAL & FRONTIER HEALTHCARE SOLUTIONS WORKGROUP MEETING**

## **Vision for Value-Based Model**

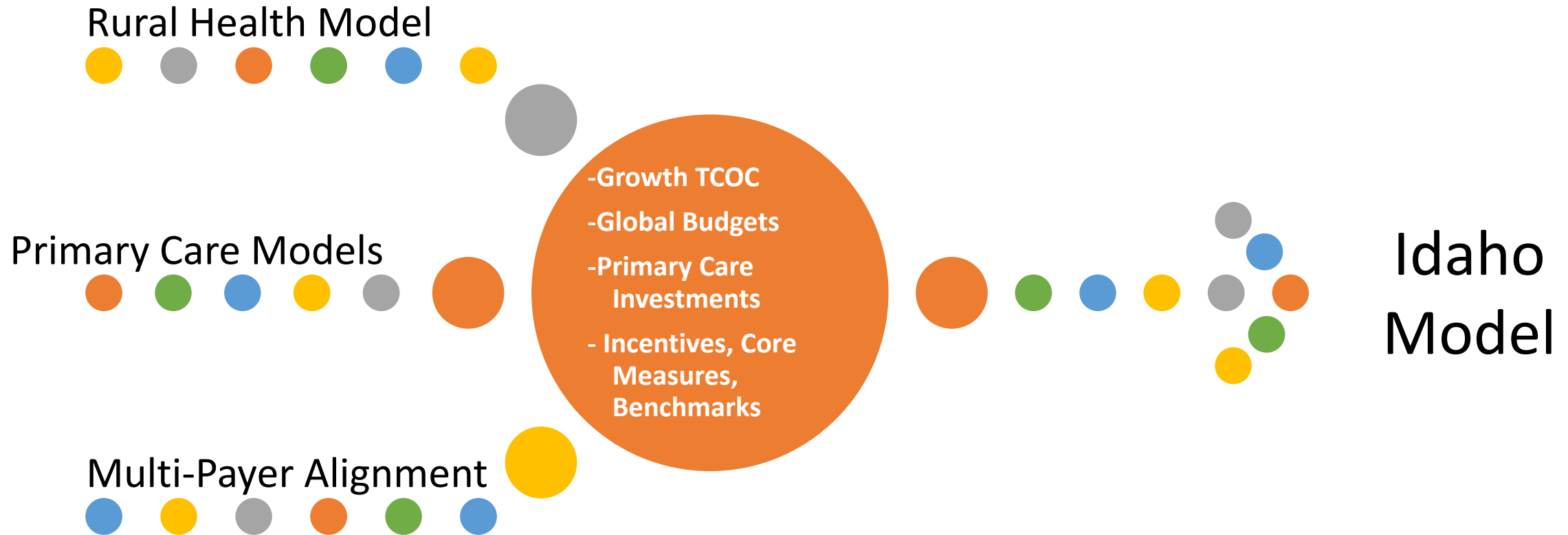
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# Develop Vision for Value-Based Model

Incorporate important elements from existing models



# Develop Vision for Value-Based Model

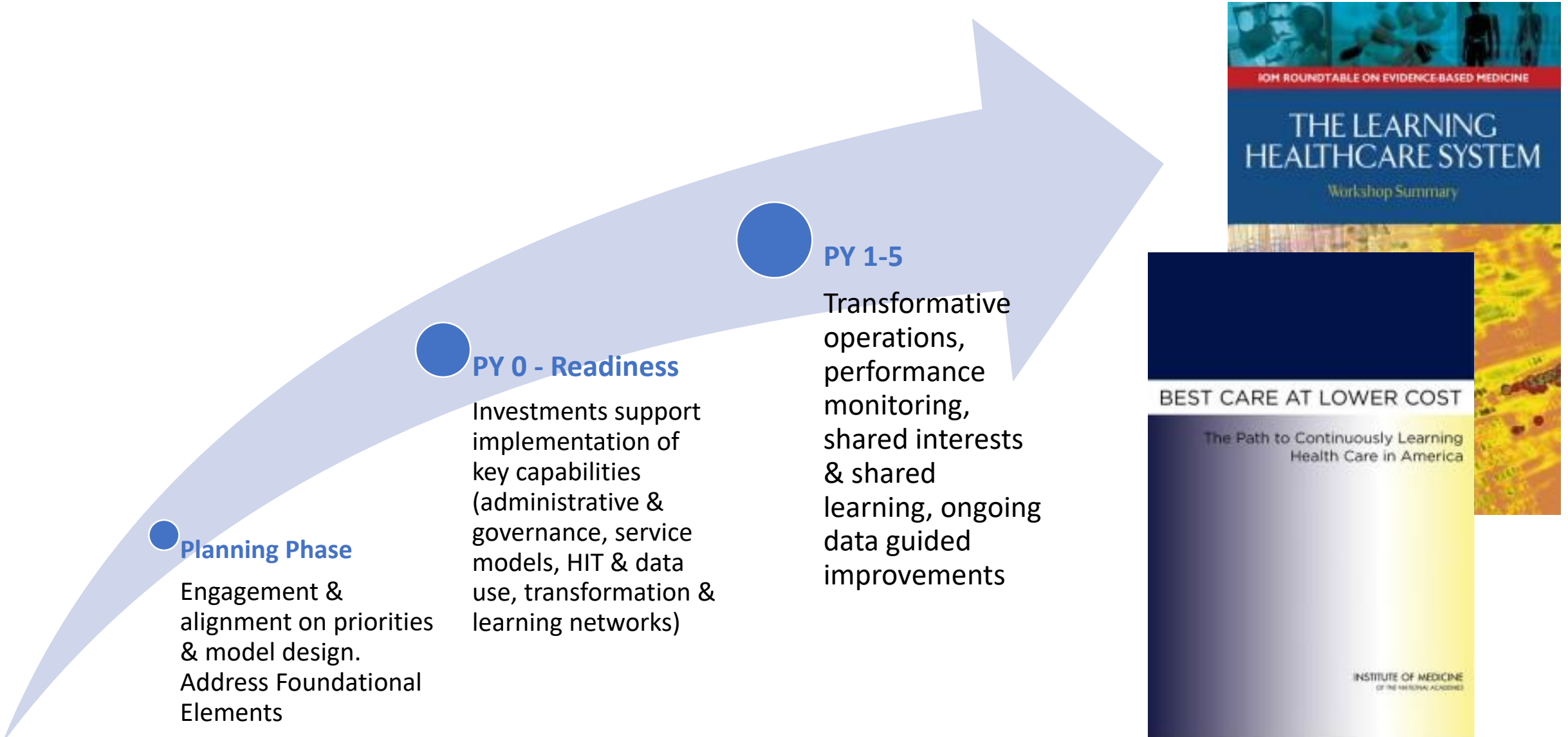
## Elements that could be incorporated into a value based model

- **Utilize payment & incentive structure to establish shared interests** across key stakeholders including larger health systems, critical access hospitals, primary care, ambulatory providers, and payers
- **Assist rural hospitals with transformation** to better meet the health & wellness needs of their communities that includes a path to sustainable financing, such as transitioning to provide comprehensive ambulatory services
- **Enhance coordination between critical access hospitals and larger health systems** to increase efficiencies, quality, and control over growth in healthcare costs
- **Establish a path to reduce the growth in TCOC closer to economic benchmarks** such as reaching an average of 3.5% year over year incremental growth within 5 years
- **Increase investments in primary care** to support more complete well coordinated care such as the proportion of TCOC that goes to primary care > 10% and non FFS payment streams

	Value Based Payment & Financing	Transformation & Services
Primary Care	<ul style="list-style-type: none"> <li>▪ <b>Care Management fees</b> to support comprehensive primary care functions</li> <li>▪ <b>Performance component</b> that establishes shared interests with rural hospitals &amp; larger health systems (e.g. goals for target population participation, health status, quality)</li> <li>▪ <b>&gt;50% of PC payments in non FFS form</b></li> <li>▪ <b>Invest &gt; 10% of TCOC in primary care</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Redesign for improved Comprehensive Primary Care Functions</b></li> <li>▪ Care Management (episodic, longitudinal)</li> <li>▪ Coordination and completeness</li> <li>▪ Patient and care giver engagement</li> <li>▪ Planned care and population health</li> </ul>
Rural Hospitals	<ul style="list-style-type: none"> <li>▪ <b>Global Budget for each hospital</b> for all services that provides predictable sustainability through transformation process</li> <li>▪ <b>Growth in annual budget tied to economic benchmark</b> shared by all participants</li> <li>▪ <b>Performance component</b> that establishes additional shared interests with primary care &amp; larger health systems (e.g. goals for target population participation, health status, quality)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Redesign care to better meet the health needs of local communities with an annual transformation plan</b></li> <li>▪ Provide ready access to essential multi-disciplinary ambulatory services</li> <li>▪ Leverage advanced delivery strategies including use of HIT &amp; telehealth to augment access to specialty services</li> <li>▪ Consider what stabilization, observation, and IP services are really needed for each rural community</li> <li>▪ Leverage available local resources to assist with ongoing assessment &amp; support (e.g. EMS, community service providers)</li> </ul>
Larger Health Systems	<ul style="list-style-type: none"> <li>▪ <b>Prospective TCOC budget for target population</b> for participating regions and the program overall. Includes consideration of primary care, rural hospital, community provider investments</li> <li>▪ <b>Incentive &amp; risk components</b> tied to meeting annual growth targets for attributed population (e.g. regional)</li> <li>▪ <b>Performance component</b> that ties to shared interests with primary care &amp; rural hospitals (e.g. goals for target population participation, health status, quality)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Redesign to improve coordination with rural hospitals &amp; communities</b></li> <li>▪ Services and strategies that allow rural hospitals to transform while meeting the needs of the communities they serve</li> <li>▪ Efficient access to hospital based services for rural communities</li> <li>▪ Support access to specialty &amp; ambulatory services in rural communities (e.g in-person, remote support to community teams, telehealth, etc)</li> <li>▪ Support stabilizing &amp; transport services for rural communities</li> </ul>
Community Providers	<ul style="list-style-type: none"> <li>▪ <b>Capacity Payment to support core services</b></li> <li>▪ <b>Performance component</b> that ties to shared interests with primary care, rural hospitals, and larger health systems</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Integrate key community providers &amp; services</b> as part of community oriented care teams (e.g. social, economic, behavioral support services)</li> <li>▪ Leverage capabilities in rural settings to assist with patient monitoring and input to healthcare team (e.g. EMS, Meals on Wheels, other)</li> </ul>

# Stakeholder Engagement & Participation for Rural Health

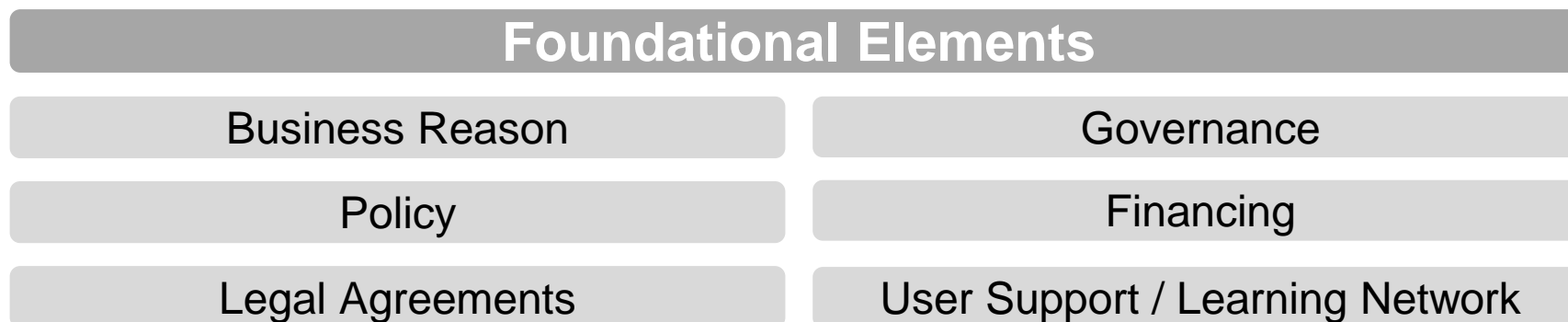
*Evolution to a value based learning health system*



# Framework for Stakeholder Engagement

## *Foundational Elements*

- **Business Reason** - Work with key stakeholders to identify priorities, opportunities, and the compelling rationale to work together on a transformative model
- **Governance** - Establish a decision making and leadership process that provides key stakeholders with meaningful influence on planning and operations
- **Policy & Legal** - Work with key stakeholders to address policy and legal issues that either enhance or hinder the ability to implement the model
- **Financing** - Work with key stakeholders to establish a sustainable financing model that is tied to meeting stakeholder needs



# Framework for Stakeholder Engagement

*It all starts with the value case*

## Questions to help shape the vision

- Do rural hospitals see a rationale for transformation so they can continue to be an essential asset for the citizens that live in their community? Do predictable global budgets provide the confidence needed to restructure?
- Do rural hospitals, larger health systems, and payers see a rationale for increasing the portion of TCOC that is invested in primary care, and shifting to non-FFS payment streams?
- Do larger health systems see a rationale accepting responsibility for growth in TCOC if they can rely on a predictable budget that includes support for investments in more well coordinated and comprehensive services for rural communities?
- What are the needs in each community for strengthening the trust relationships that are needed to enter a model with shared interests and shared responsibility for health, quality, and costs?
- Is there a consensus among the key stakeholders of an imperative for disruptive transformation, and a belief that this type of transformation could benefit the citizens in rural communities?

# Incorporate Components of Several Models – Pennsylvania Rural Health Model

- **Care delivery transformation in conjunction with hospital global budgets** increase rural Pennsylvanians' access to high-quality care and improve their health, while also reducing the growth of hospital expenditures across payers (Pennsylvania Rural Health Model)
- **Rural hospitals are working to redesign the delivery of care** for their beneficiaries, to improve quality of care and better meet the health needs of their local communities
- **Test whether the predictable nature of global budgets enables rural hospitals** to invest in quality and preventive care, and to tailor their services to better meet the needs of their local communities
- **Rural Hospital Transformation Plans** outline their proposed care delivery transformation, which must be approved by Idaho and CMS
- **The state agrees to meet a number of different targets:** a) payer and rural hospital participation scale targets; b) financial targets; and c) population health outcomes, access, and quality targets.
- **Each participating rural hospital's global budget represents** at least 75 percent of that hospital's net revenue for inpatient and outpatient hospital-based services in Performance Year 1 (2019), and at least 90 percent of each participating rural hospital's global budget for each of Performance Years 2 through 6.
- **Tie financial incentives for participating rural hospitals to performance on the following three goals:** a) increasing access to primary and specialty care; b) reducing rural health disparities through improved chronic disease management and preventive screenings; and c) decreasing deaths from substance use disorder and improve access to treatment for opioid abuse.



## Components – Pennsylvania Rural Health Model

- **PY0 - Pre-implementation period.** CMS makes funding available to begin Model operations, obtain participation from rural hospitals and payers, aggregate data from participating payers, and calculate global budgets. Participating rural hospitals develop Rural Hospital Transformation Plans describing how they intend to improve quality, increase access to preventive care, and generate savings to the Medicare program
- **PY1 - Performance Years 1 – 6:** Rural hospitals and payers participate in the Rural Health Model. During this period, the participating rural hospitals will be paid based on prospectively-set, all-payer global budgets, and will implement their Rural Hospital Transformation Plans. In addition, the state must meet the Model targets described below, including the population health outcomes, access and quality measures.
- **The state will prospectively set the all-payer global budget for each participating rural hospital,** based primarily on hospitals' historical net revenue for inpatient and outpatient hospital-based services from all participating payers. Each participating payer will then pay participating rural hospitals for all inpatient and outpatient hospital-based services based on the payer's respective portion of this global budget
- **Participating rural hospitals will also plan deliberate changes to redesign the care they provide.** As part of their Rural Hospital Transformation Plans, hospitals develop plans to invest in quality and coordinate care, to obtain support and continuous feedback from stakeholders in the community, and to tailor the services they provide to the needs of their local community.